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For Immediate Release

October 6, 2004

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**SENIORS IN ALL STATES AND CONGRESSIONAL DISTRICTS WOULD
BENEFIT FROM THE “SOCIAL SECURITY COLA PROTECTION ACT”**

Washington, D.C. – The Bush Administration recently announced a 17% increase in the Medicare Part B premium next year – the largest increase in Medicare's history. This increase eats up seniors' cost-of-living-adjustments (COLAs) to their Social Security checks. A new report by the Joint Economic Committee (JEC) Democrats shows that Medicare beneficiaries in *all* Congressional Districts would benefit from enactment of “the Social Security COLA Protection Act” (H.R. 4910). This legislation would ensure that no more than 25 percent of a retiree's annual COLA could be absorbed by increases in Medicare premiums.

“The Bush Administration recently announced the largest premium increase in Medicare's history and this report shows that far too many retirees and disabled workers will have little left of their Social Security COLA for rising living expenses,” said **Rep. Pete Stark (D-CA)**, Senior Democrat on the JEC and an original co-sponsor of the bill.

To address this problem, Rep. Stephanie Herseth (D-SD), Stark and other Congressional Democrats have introduced “the Social Security COLA Protection Act.” More than 29 million Medicare beneficiaries nationwide will benefit from this legislation, according to estimates by the non-partisan Congressional Budget Office.

“President Bush's failure to control rapidly rising health care costs has undermined the COLA as Medicare Part B premiums have absorbed more and more of seniors' Social Security checks. Unless Congress takes action, that problem will be even worse when the new premiums for prescription drugs take effect in 2006,” said **Rep. Stark**.

The JEC Democrats' analysis shows that the average retiree will have at least 40 percent of their COLA absorbed by next year's premium hike. In 21 states, more than a half million Medicare beneficiaries would benefit from the COLA Protection bill. In six of those states – Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas – more than one million beneficiaries stand to gain from the legislation, and in two of those states – California and Florida – more than 2 million beneficiaries would keep more of their COLAs.

Full text of the JEC Democrats' report, “*Social Security COLA Protection Act*” *Would Preserve COLA for Retirees and Disabled Workers in All States and Congressional Districts*, is available at <<http://jec.senate.gov/democrats/Documents/Reports/colaprotectionbycd6october2004.pdf>>.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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